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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PUBLISHED:
EFFECTIVE:

FEB 5, 2001
MAR 1, 2001
12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$14.49 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$1.26 /LB

EFFECTIVE MARCH 1, 2001:

The minimum price to pay milk producers, under ARM 32.24.301, is \$14.49 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 12.6 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.26.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$10.74 /CWT

Average spray process dry milk solids

price per pound = \$1.02250

Multiplied by 8.2 x 8.2

\$8.38450

\$8.38450

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$0.79800

Multiplied by 4.2 x 4.2

\$3.35160

+ \$3.35160

\$11.73610

LESS a make allowance of 8.5% (\$11.7361 X .085)

- \$0.99757

\$10.73853

Rounded to the nearest whole cent = \$10.74 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$0.89 /LB**

Last quote of the month for Grade AA butter
 minus a differential of \$.0895 = \$0.79800 X .111) = \$0.08858
 Rounded to the nearest half cent = \$0.089

Butterfat value per pound
 for milk at 3.5% test: \$0.89

Hundredweight price of milk testing 3.5% = \$10.74
 LESS 3.5 pounds of butterfat at \$0.89 per pound - \$3.115
 Value of 96.5 pounds of skim = \$7.625

CLASS II VALUE OF

ONE POUND OF SKIM 7.625 / 96.5 pounds) = **\$0.07902 /LB**

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$9.24 /CWT**

3.5 pounds of butterfat \$0.72 per pound = \$2.520
 96.5 pounds of skim \$0.06959 per pound = \$6.716
 \$9.236 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$0.72 /LB**

Last quote of the month for Grade AA butter
 minus a difference of \$.0895 = \$0.79800
 LESS 10% - \$0.07980
 \$0.71820

Rounded to the nearest whole cent \$0.72 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.95914 /CWT**

Avg. spray process dry milk solid price/lb \$1.02250
 Multiplied by 8.2 8.2
 \$8.38450
 LESS 17% \$1.42537
 \$6.95914

Rounded to the nearest whole cent \$6.96 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Marilyn M. Mattfeldt
 Marilyn M. Mattfeldt, Bureau Chief
 Montana Milk Control Bureau

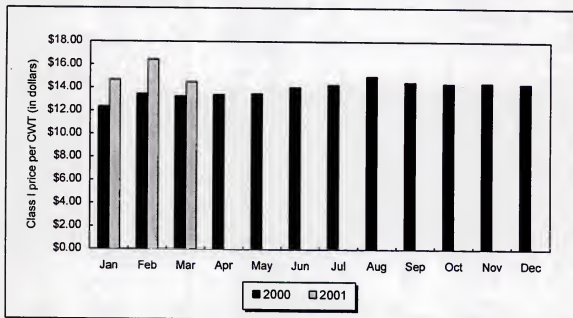
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1999 and 2000

Statistics from the Montana Milk Control Bureau

Month	2000	2001	Difference	% Change
January	\$12.34	\$14.68	\$2.34	18.96%
February	\$13.45	\$16.43	\$2.98	22.16%
March	\$13.26	\$14.49	\$1.23	9.28%
April	\$13.39	\$0.00		
May	\$13.48	\$0.00		
June	\$14.03	\$0.00		
July	\$14.25	\$0.00		
August	\$15.01	\$0.00		
September	\$14.50	\$0.00		
October	\$14.39	\$0.00		
November	\$14.44	\$0.00		
December	\$14.37	\$0.00		
Average	\$13.91	\$3.80	\$2.18	16.80%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

DEC 2000: class I = \$8.44; class II = \$1.32; Class III = \$3.14; total = \$12.90

(calculations based upon utilization percentages of butterfat & skim)

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.49 FOR 3.5% MILK 96.5 LBS = \$10.080		CLASS II SKIM PRICE BASED ON \$10.74 FOR 3.5% MILK 96.5 LBS = \$7.625		CLASS III SKIM PRICE BASED ON \$9.24 FOR 3.5% MILK 96.5 LBS = \$6.716	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10338	2.50	\$0.07821	2.50	\$0.06888
2.55	\$0.10344	2.55	\$0.07825	2.55	\$0.06891
2.60	\$0.10349	2.60	\$0.07829	2.60	\$0.06895
2.65	\$0.10354	2.65	\$0.07833	2.65	\$0.06898
2.70	\$0.10360	2.70	\$0.07837	2.70	\$0.06902
2.75	\$0.10365	2.75	\$0.07841	2.75	\$0.06905
2.80	\$0.10370	2.80	\$0.07845	2.80	\$0.06909
2.85	\$0.10376	2.85	\$0.07849	2.85	\$0.06913
2.90	\$0.10381	2.90	\$0.07853	2.90	\$0.06916
2.95	\$0.10386	2.95	\$0.07857	2.95	\$0.06920
3.00	\$0.10392	3.00	\$0.07861	3.00	\$0.06923
3.05	\$0.10397	3.05	\$0.07865	3.05	\$0.06927
3.10	\$0.10402	3.10	\$0.07869	3.10	\$0.06930
3.15	\$0.10408	3.15	\$0.07873	3.15	\$0.06934
3.20	\$0.10413	3.20	\$0.07877	3.20	\$0.06938
3.25	\$0.10419	3.25	\$0.07881	3.25	\$0.06941
3.30	\$0.10424	3.30	\$0.07885	3.30	\$0.06945
3.35	\$0.10429	3.35	\$0.07889	3.35	\$0.06948
3.40	\$0.10435	3.40	\$0.07893	3.40	\$0.06952
3.45	\$0.10440	3.45	\$0.07897	3.45	\$0.06956
3.50	\$0.10446	3.50	\$0.07902	3.50	\$0.06959
3.55	\$0.10451	3.55	\$0.07906	3.55	\$0.06963
3.60	\$0.10456	3.60	\$0.07910	3.60	\$0.06966
3.65	\$0.10462	3.65	\$0.07914	3.65	\$0.06970
3.70	\$0.10467	3.70	\$0.07918	3.70	\$0.06974
3.75	\$0.10473	3.75	\$0.07922	3.75	\$0.06977
3.80	\$0.10478	3.80	\$0.07926	3.80	\$0.06981
3.85	\$0.10484	3.85	\$0.07930	3.85	\$0.06984
3.90	\$0.10489	3.90	\$0.07934	3.90	\$0.06988
3.95	\$0.10495	3.95	\$0.07939	3.95	\$0.06992
4.00	\$0.10500	4.00	\$0.07943	4.00	\$0.06995
4.05	\$0.10505	4.05	\$0.07947	4.05	\$0.06999
4.10	\$0.10511	4.10	\$0.07951	4.10	\$0.07003
4.15	\$0.10516	4.15	\$0.07955	4.15	\$0.07006
4.20	\$0.10522	4.20	\$0.07959	4.20	\$0.07010
4.25	\$0.10527	4.25	\$0.07963	4.25	\$0.07014
4.30	\$0.10533	4.30	\$0.07968	4.30	\$0.07017
4.35	\$0.10538	4.35	\$0.07972	4.35	\$0.07021
4.40	\$0.10544	4.40	\$0.07976	4.40	\$0.07025
4.45	\$0.10549	4.45	\$0.07980	4.45	\$0.07028
4.50	\$0.10555	4.50	\$0.07984	4.50	\$0.07032